



Property Casualty Insurers  
Association of America  
Shaping the Future of American Insurance

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## STATEMENT

### PROPERTY CASUALTY INSURERS ASSOCIATION OF AMERICA (PCI)

#### H.B. No. 5283 – AN ACT CONCERNING AUTOMOTIVE GLASS WORK

#### COMMITTEE ON INSURANCE AND REAL ESTATE

February 17, 2011

The Property Casualty Insurers Association of America (PCI) appreciates the opportunity to comment on H.B. 5283, which would prohibit insurance company adjusters, automotive physical damage appraisers or entities that process claims for automotive glass replacement from having a financial interest in a business that installs automotive glass. Our comments are provided on behalf of the member companies of PCI, a national property casualty trade association with over 1,000 member companies. PCI members represent 37 percent of the total property/casualty insurance market and 39 percent of the total personal lines insurance business in the nation. PCI member companies provide 50 percent of Connecticut's personal auto insurance coverage.

PCI is opposed to this legislation because it would limit consumer choice in glass repairs. By prohibiting certain ownership interests in glass shops, this bill may prevent Connecticut consumers from receiving all of the benefits which shops with these prohibited ownership interests may be able to provide. If this legislation passed, certain glass shops would either have to change their ownership structure or not operate in Connecticut. These shops offer many consumer conveniences and benefits which might not be available to Connecticut consumers if this legislation passed. For example, these shops may be open extended hours and may perform the repair at the consumer's place of work or home. In addition, these shops may provide warranties which may be more generous than warranties offered by other shops.

This legislation would also disrupt the seamless claims administration process which currently exists. Currently, an entity which administers a glass claim can take the claim information, refer a consumer to a glass repair facility if the consumer does not know of a shop to which he or she would prefer to take their vehicle for repairs and schedule service in one quick and easy telephone call. If this bill passes, this hassle free process may become more difficult for the consumer – possibly requiring multiple telephone calls and other potential inconveniences. Not only is this seamless process more convenient for the consumer, but it also tends to be more cost effective for the insurer, thereby reducing claims costs and helping to keep Connecticut auto insurance premiums affordable.

Consumer choice is paramount and consumers should have the choice to take their car to any glass repair shop which they choose, including one in which a claims administrator, adjuster or appraiser has an interest. This bill would take this choice away from Connecticut consumers.

For the foregoing reasons, PCI urges your Committee to not favorably advance HB 5283.